



Province of the  
**EASTERN CAPE**  
EDUCATION

Iphondo leMpuma Kapa: Isebe leMtundo  
Provinsie van die Oos Kaap: Departement van Onderwys  
Porafensele Ya Kapa: Dofelaphela: Lefapha la Thuto

# **NATIONAL SENIOR CERTIFICATE**

## **GRADE 11**

Stanmorephysics.com

## **NOVEMBER 2025**

## **ACCOUNTING P2**

**MARKS: 150**

**TIME: 2 hours**



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This question paper consists of 14 pages, including a financial indicator formula sheet and a 11-page answer book.

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**INSTRUCTIONS AND INFORMATION**

Read the following instructions carefully and follow them precisely.

1. Answer ALL the questions.
2. A special ANSWER BOOK is provided in which to answer ALL the questions.
3. A Financial Indicator Formula Sheet is attached at the end of this question paper.
4. Show ALL workings to earn part-marks.
5. You may use a non-programmable calculator.
6. You may use a dark pencil or blue/black ink to answer the questions.
7. Where applicable, show ALL calculations to ONE decimal point.
8. Write neatly and legibly.
9. Use the information in the table below as a guide when answering the question paper. Try NOT to deviate from it.

QUESTION	TOPIC	MARKS	TIME (MINUTES)
1	Periodic System, VAT and Fixed Assets	35	30
2	Budgeting	35	30
3	Cost Accounting	40	30
4	Reconciliations	40	30
<b>TOTAL</b>		<b>150</b>	<b>120</b>



**QUESTION 1: PERIODIC SYSTEM, VAT AND FIXED ASSETS****(35 marks; 30 minutes)****1.1 PERIODIC SYSTEM**

Choose the answer from the options given. Write only the letter (A–D) next to the question numbers (1.1.1 to 1.1.4) in the ANSWER BOOK, for example 1.1.5 B.

1.1.1 What is used to determine the quantity of stock at the end of the financial year?

- A Invoices of purchases
- B Physical stock take
- C Cash register rolls
- D Debtors ledger

1.1.2 A business has the following information at the end of the year:

- Opening stock R30 000
- Purchases R120 000
- Returns R10 000
- Closing Stock R25 000

Calculate the cost of sales:

- A R185 000
- B R100 000
- C R135 000
- D R115 000

1.1.3 What is the effect of a physical stock loss in the periodic inventory system?

- A It is recorded as an asset
- B It increases the closing stock
- C It decreases the closing stock
- D It increases the sales figures

1.1.4 Which of the following is NOT an advantage of the periodic inventory system?

- A Less administration
- B Cheap to apply
- C Simple records
- D Access to daily inventory information

(4 x 1) (4)

**1.2 VAT****INFORMATION:**

Siyanda Traders is a VAT-registered business. The VAT rate is 15%. The following transactions took place in May 2025:

- (i) Cash sales of goods: R11 500 (VAT included)
- (ii) Credit purchase of goods: R6 900 (VAT excluded)
- (iii) Purchase of a motor car for the owner's personal use: R450 000 (VAT included)
- (iv) Paid for repairs to the delivery vehicle: VAT: R225

**REQUIRED:**

- 1.2.1 Calculate the VAT amount included in the cash sales. (2)
- 1.2.2 Calculate the input VAT Siyanda Traders may claim. (3)
- 1.2.3 Why can VAT not be claimed on the purchase of the vehicle? (2)
- 1.2.4 Give ONE reason why it is important for a business to keep proper VAT records. (2)
- 1.2.5 Explain ONE advantage and ONE disadvantage of being a VAT-registered business. (2)

**1.3 ASSET DISPOSAL**

The information relates to VIC Traders for the financial year ending 31 August 2025.

**REQUIRED:**

- 1.3.1 Calculate the total depreciation written off on vehicles for the financial year ending 31 August 2025. (9)
- 1.3.2 Prepare the following accounts in the General Ledger for the financial year. Close off/balance accounts on 31 August 2025.
  - (i) Vehicles (5)
  - (ii) Asset disposal (6)

**INFORMATION:****Balances on 1 September 2024:**

Vehicles	R940 000
Accumulated depreciation on vehicles	R430 000

Depreciation on vehicles is calculated at 20% p.a. on cost.

**Transactions during the financial year:**

- 1 March 2025 An old vehicle was sold for R98 000 and payment was received via EFT. The vehicle was originally bought on 1 September 2021 for R400 000.
- 30 June 2025 A new vehicle was purchased. 20% of the cost price was paid to Kwano Motors and the balance will be paid in six monthly instalments of R30 500 each.
- 31 Aug 2025 Provide depreciation for the 2025 financial year.

**QUESTION 2: BUDGETING****(35 marks; 30 minutes)****2.1 MATCHING ITEMS**

Choose the answer from COLUMN B that matches the phrase in COLUMN A. Write only the letter (A–G) next to the question numbers (2.1.1 to 2.1.5) in the ANSWER BOOK, for example 2.1.6 H.

COLUMN A		COLUMN B	
2.1.1	This item is a non-cash/imputed expense	A	Projects expected income and expected expenses so that areas of concern can be identified
2.1.2	Projected Statement of Comprehensive Income	B	Financial manager
2.1.3	This item will appear in the cash budget, but not in the Projected Statement of Comprehensive Income	C	Show expected cash receipts and expected cash payments
2.1.4	Cash Budget	D	Buy a vehicle on credit
2.1.5	Responsible for preparing a cash budget	E	Depreciation
		F	Cash drawings by owner
		G	Human Resources Manager

(5 x 1) (5)

**2.2 CHW TRADERS**

You are provided with the Cash Budget of CHW Traders for the three months ended 31 August 2025.

**REQUIRED:****2.2.1 REFER TO INFORMATION A AND B**

Complete the Debtors Collection Schedule for June to August 2025. (6)

2.2.2 Calculate the figures labelled **A** to **F** in the Cash Budget. (15)

**2.2.3 REFER TO INFORMATION D****SALARIES:**

(i) Calculate the percentage increase given to employees in July 2025. (2)

(ii) An employee is not satisfied with the increase. He is of the opinion that the R35 000 that the business intends to spend on staff training should instead be used to increase employees' monthly salaries. Explain why staff training is essential to the business. (2)

**LOAN:**

- (iii) Interest on loan is not capitalised. Calculate the loan balance on 1 September 2025. (1)

**ADVERTISING:**

- (iv) The actual amount spent on advertising in August 2025 was R3 000. Explain ONE possible consequence of the decision to spend less than the budgeted amount of R5 000. (2)

**BANK CHARGES:**

- (v) The owner is worried about the continuous increase in bank charges. Suggest ONE way they can reduce bank charges. (2)

**INFORMATION:****A. Sales and Cost of Sales**

- Total sales are estimated to be as follows:

JUNE 2025	JULY 2025	AUGUST 2025
R220 000	R182 000	R176 000

- 60% of sales are for cash.
  - A mark-up of 25% on cost is applied on all sales.
- B. Debtors Collection**
- CHW Traders allows debtors 30 days to settle all amounts owed.
  - Debtors' payment patterns based on past information:
    - 45% pay in the month of sale to receive a 5% discount
    - 35% pay in the month after the sale
    - 15% pay in the second month after the sale
    - The remaining amount is written off in the third month after the sale

**C. Purchases**

- A fixed base stock is maintained at all times. Stock that is sold within the month, is replaced in the same month.
- 35% of purchases are on credit, with the remainder being bought for cash.
- Creditors are paid in full two months after the purchase date.

**D. Extract from the Cash Budget for the three months ended 31 August 2025**

	JUNE	JULY	AUGUST
<b>Receipts</b>	<b>487 980</b>	<b>235 000</b>	<b>?</b>
Cash Sales	<b>C</b>	109 200	105 600
Collection from debtors	?	?	?
Mortgage Loan: BBA Bank (8% p.a.)	<b>D</b>		
Rent Income	?	?	?
<b>Payments</b>	<b>321 580</b>	<b>333 800</b>	<b>?</b>
Cash purchase of stock	?	<b>E</b>	
Payment to creditors	?	?	<b>F</b>
Interest paid on loan		2 100	?
Repayment of loan			25 000
Salaries and wages	65 000	69 875	69 875
Bank charges	3 500	4 000	4 330
Advertising	5 000	5 000	5 000
Staff training			35 000
Sundry expenses	?	?	?
Surplus/deficit for the month	166 400	(98 800)	?
Opening bank balance	(103 000)	<b>A</b>	?
Closing bank balance	63 400	<b>B</b>	?





**QUESTION 3: COST ACCOUNTING****(40 marks; 30 minutes)****3.1 POPSICLE MANUFACTURERS****REQUIRED:**

You are provided with information from the accounting records of Popsicle Manufacturers, a business that manufactures different flavoured popsicles.

3.1.1 Calculate the raw materials issued for production in 2025. (6)

3.1.2 Prepare the following accounts in the General Ledger:

(a) Factory Overheads Cost (13)

(b) Work-in-progress stock (7)

3.1.3 Calculate cost of sales for the year ended 30 September 2025. (4)

**INFORMATION:**

A. The following balances appeared in the books of Popsicle Manufacturers:

	<b>2025 30 Sept</b>	<b>2024 1 Oct</b>
Direct/Raw Material Stock	R24 000	R55 000
Work-in-Progress Stock	R78 000	R41 000
Finished goods	R188 000	R210 000
Indirect Material Stock	R6 500	R5 800

B. Transactions for the year:

Raw materials purchased during the year	R740 000
Carriage on purchases of raw materials	18 900
Import duties on raw materials	3 900
Factory maintenance paid	72 400
Advertising paid	18 700
Water and electricity paid	?
Rent paid	196 000
Indirect material purchased	37 000
Sundry expenses paid	13 200
Salary: Factory foreman	66 000
Salary: Office assistant	73 500

C. Additional information:

- The total direct labour costs for the year amounted to R784 000.
- Included in the amount for raw materials are goods that were not ordered, therefore returned to the suppliers, R5 000.



3. Sundry expenses must be allocated in the ratio 3 : 2 : 1 for the factory, sales department and office respectively.
4. Rent must be allocated between the three departments according to floor space:
  - Factory: 400 square metres
  - Sales: 220 square metres
  - Office: 380 square metres
5. Depreciation for the year:
  - Factory machinery: R21 450
  - Office equipment: R13 400
6. 50% of Water and Electricity was incorrectly allocated to the factory, R78 400. The correct allocation is:
  - Factory: 70%
  - Office: 15%
  - Sales: 15%

### 3.2 BERRY NOK MANUFACTURERS

Berry Nok Manufacturers manufactures cell phone covers. The information below was taken from their records for the financial year ended 30 September 2025.

#### REQUIRED:

- 3.2.1 Calculate the break-even point for the financial year ended 30 September 2025. (4)
- 3.2.2 Do you think Berry Nok should be satisfied with the break-even point? Quote the number of units on which a profit is made in your explanation. (4)
- 3.2.3 Direct material cost per unit decreased. Except for the cheaper supplier, name TWO possible reasons for the decrease. (2)

#### INFORMATION:

	UNIT COST	
	30 Sept 2025	30 Sept 2024
Fixed Cost	R47	R50
Variable Cost	R126	R132
Selling Price	R220	R210

	NUMBER OF UNITS	
	30 Sept 2025	30 Sept 2024
Produced and sold	23 600	24 960
Break-even	?	16 000

**QUESTION 4: RECONCILIATIONS****(40 marks; 30 minutes)****4.1 RECONCILIATION CONCEPTS**

Choose the most appropriate word(s) from the options in brackets. Write ONLY the correct word(s) next to the question numbers (4.1.1 to 4.1.4) in the ANSWER BOOK.

- 4.1.1 Bank charges are usually recorded in the (Cash Receipts Journal / Cash Payments Journal).
- 4.1.2 An error on the bank statement must be corrected in the (Cash Journal / General Ledger / Bank Reconciliation Statement).
- 4.1.3 A favourable bank balance is shown as a (debit / credit) in the Bank Statement.
- 4.1.4 An overpayment to a creditor will result in a (debit / credit / zero) balance in the Creditors Ledger. (4 x 1) (4)

**4.2 BANK RECONCILIATION**

The information relates to John Bakers.

**REQUIRED:**

- 4.2.1 Show changes in the Cash Journals for July 2025. (10)
- 4.2.2 Calculate the correct Bank Account balance on 31 July 2025. (4)
- 4.2.3 Prepare the Bank Reconciliation Statement on 31 July 2025. (7)
- 4.2.4 Refer to **Information D:**
- Give ONE possible consequence for the business if theft like this continues undetected. (2)

**INFORMATION:**

- A.** Information from the Bank Reconciliation Statement prepared on 30 June 2025:

Unfavourable balance as per Bank Statement	R18 500
Deposit in the Cash Journal, but not on June 2025 bank statement	48 400
EFTs entered in CPJ No. 715	19 500
No. 780	16 850
Unfavourable balance on the Bank Account in the Ledger	6 450

**NOTE:**

The deposit and EFT No. 715 appeared on the July Bank Statement. EFT No. 780 was reflected on the July Bank Statement as R14 850. The Bank Statement was correct.

- B.** Provisional Cash Journal totals on 31 July 2025 before receiving the July Bank Statement via email from the bank:

- Cash Receipts Journal (CRJ): R75 620
- Cash Payments Journal (CPJ): R74 890

- C.** Information on July 2025 Bank Statement not recorded in the July Cash Journals:

	Debit	Credit
EFT (Debtor: J Joubert)		R31 350
Debit order (GSP Insurers)	R9 750	
Debit order (GSP Insurers)	R9 750	
EFT (Clear View - repairs to windows)	R2 975	
Interest	R150	
Internet banking fees	R800	

**NOTE:** The bank duplicated the debit order for insurance in error. It will be corrected in August 2025.

- D.** Deposit entries in the July CRJ that did not agree with the July Bank Statement:
- R25 870 on 30 July 2025
  - R42 400 on 31 July 2025. The Bank Statement reflected this as R32 400. An investigation revealed that the cash slips added to R42 400, but only R32 400 was deposited. The cashier has disappeared. The shortfall must be written off.
- E.** Entries in the July CPJ that did not appear in the July Bank Statement:
- EFT No. 880 (Austin, the owner, for private use) 29 July 2025, R8 900
  - EFT No. 889 (Jannas Suppliers) 31 July 2025, R9 000
- F.** Bank Statement balance on 31 July 2025 is the balancing figure.

### 4.3 CREDITORS

#### REQUIRED:

- 4.3.1 Correct the balances of the creditors in the Creditors Ledger. (5)
- 4.3.2 Use the information provided to calculate the correct balance according to the statement received from Phoenix Suppliers. (4)
- 4.3.3 Identify TWO possible consequences a business may face if it fails to pay its creditors on time. (2)
- 4.3.4 Describe ONE way technology can assist a business in maintaining accurate and up-to-date creditor records. (2)

#### INFORMATION:

A. Extract from the Creditors Ledger of ABC Traders on 31 May 2025:

CREDITOR	BALANCE
Phoenix Suppliers	R17 250 Cr
Zahn Traders	R12 450 Dt
Lara Wholesalers	R8 950 Cr

#### B. ADJUSTMENTS:

- A payment of R12 500 to Phoenix Suppliers was incorrectly posted to Zahn Traders.
- An invoice of R13 500 from Zahn Traders was not recorded.
- A payment of R1 500 to Lara Wholesalers was recorded as a purchase.

C. Statement of Account from Phoenix Suppliers on 31 May 2025:

Balance: R10 850

The following differences must be taken into account:

A payment of R5 000 on 30 May 2025 does not appear on the statement.

Phoenix Suppliers charged interest of R100 which was recorded as a payment received on the statement.

An invoice of R1 300 dated 31 May 2025 was incorrectly reflected twice on the statement.

**40****TOTAL: 150**

GRADE 11 ACCOUNTING FINANCIAL INDICATOR FORMULA SHEET		
$\frac{\text{Gross profit}}{\text{Sales}} \times \frac{100}{1}$	$\frac{\text{Gross profit}}{\text{Cost of sales}} \times \frac{100}{1}$	$\frac{\text{Net profit}}{\text{Sales}} \times \frac{100}{1}$
$\frac{\text{Operating expenses}}{\text{Sales}} \times \frac{100}{1}$	$\frac{\text{Operating profit}}{\text{Sales}} \times \frac{100}{1}$	
$\frac{\text{Total earnings by partner}}{\text{Partner's average equity}} \times \frac{100}{1}$	$\frac{\text{Net profit}}{\text{Average owner's equity}} \times \frac{100}{1}$	
Current assets : Current liabilities	(Current assets – Inventories) : Current liabilities	
(Trade and other receivables + Cash and Cash equivalents) : Current liabilities		
$\frac{\text{Average debtors}}{\text{Credit sales}} \times \frac{365}{1}$	$\frac{\text{Average creditors}}{\text{Credit purchases}} \times \frac{365}{1}$	
$\frac{\text{Average inventories}}{\text{Cost of sales}} \times \frac{365}{1} \text{ or } \frac{2}{1}$	$\frac{\text{Cost of sales}}{\text{Average inventories}}$	
Non-current liabilities: Owners' equity	Total assets: Total liabilities	
$\frac{\text{Total fixed costs}}{\text{Selling price per unit} - \text{Variable costs per unit}}$		





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**NAME:**

## NATIONAL SENIOR CERTIFICATE

**GRADE 11**

**NOVEMBER 2025**

## ACCOUNTING P2 ANSWER BOOK

QUESTION	MAXIMUM MARKS	MARKS OBTAINED	MODERATED MARKS
1	35		
2	35		
3	40		
4	40		
	150		

This answer book consists of 11 pages.

## QUESTION 1

1.1 Choose the correct answer, for example 1.1.5 B.

1.1.1	
1.1.2	
1.1.3	
1.1.4	

4

1.2.1 Calculate the VAT amount included in the cash sales.

WORKINGS	ANSWER

2

1.2.2 Calculate the input VAT Siyanda Traders may claim.

WORKINGS	ANSWER

3

1.2.3 Why can VAT not be claimed on the purchase of the vehicle?

--

2

1.2.4 Give ONE reason why it is important for a business to keep proper VAT records.

--

2



1.2.5

Explain ONE advantage and ONE disadvantage of being a VAT-registered business.

ADVANTAGE	DISADVANTAGE

2

1.3.1

Calculate the total depreciation written off on vehicles for the financial year ending 31 August 2025.

WORKINGS	ANSWER
SOLD:	
OLD:	
NEW:	

9

1.3.2

VEHICLES					
Date	Details	Amount	Date	Details	Amount

5

ASSET DISPOSAL			
Details	Amount	Details	Amount

6

QUESTION 1:  
TOTAL MARKS

35

**QUESTION 2****2.1 MATCH ITEMS**

2.1.1	
2.1.2	
2.1.3	
2.1.4	
2.1.5	

(5 x 1)

5

**2.2.1 DEBTORS' COLLECTION SCHEDULE**

CREDIT SALES	JUNE 2025	JULY 2025	AUGUST 2025
JUNE: R88 000	37 620	30 800	
JULY: R72 800			
AUGUST:			30 096

6

**2.2.2 Calculate the figures labelled A to F in the Cash Budget.**

	WORKINGS	ANSWER
A		
B		
C		
D		
E		
F		

15

2.2.3

(i) Calculate the percentage increase given to employees in July 2025.

WORKINGS

ANSWER

2

(ii) Explain why staff training is essential to the business.

2

(iii) Interest on the loan is not capitalised. Calculate the loan balance on 1 September 2025.

WORKINGS

ANSWER

1

(iv) The actual amount spent on advertising in August 2025 was R3 000. Explain ONE possible consequence of the decision to spend less than the budgeted R5 000.

2

(v) The owner is worried about the continuous increase in bank charges. Suggest ONE way they can reduce bank charges.

2

QUESTION 2:  
TOTAL MARKS

35

**QUESTION 3**3.1.1 **Calculate the raw materials issued for production in 2025.**

WORKINGS	ANSWER

6

3.1.2 **FACTORY OVERHEADS**

FACTORY OVERHEADS			

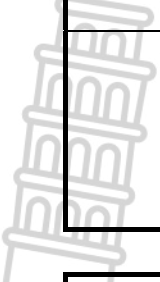
13

**WORK-IN-PROGRESS STOCK**

WORK-IN-PROGRESS STOCK			

7

3.1.3 Calculate the cost of sales for the year ended 30 September 2025.

WORKINGS	ANSWER
	

4

3.2.1 Calculate the break-even point for the financial year ended 30 September 2025.


WORKINGS	ANSWER
	

4

3.2.2 Do you think Berry Nok should be satisfied with the the break-even point? Quote the number of units on which a profit is made in your explanation.

4

3.2.3 Direct material cost per unit decreased. Except for cheaper supplier, name TWO possible reasons for the decrease.



2

QUESTION 3:  
TOTAL MARKS

40

# QUESTION 4

4.1

CHOOSE ITEM	
4.1.1	
4.1.2	
4.1.3	
4.1.4	

4

4.2.1

Changes in the Cash Journals for July 2025.	
CASH RECEIPTS JOURNAL	CASH PAYMENTS JOURNAL
75 620	74 890

10

4.2.2

Correct Bank Account balance on 31 July 2025.	
WORKINGS	ANSWER

4

4.2.3

Bank Reconciliation Statement on 31 July 2025.			
	Alternative	Debit	Credit

7

4.2.4 Give ONE possible consequence for the business if theft like this continues undetected.

--

2

4.3.1 Correct the balances of the creditors in the Creditors Ledger.

CREDITORS	WORKINGS	BALANCE
Phoenix Suppliers		
Zahn Traders		
Lara Wholesalers		

5

4.3.2 Calculate the correct balance according to the statement received from Phoenix Suppliers.

WORKINGS	ANSWER

4

4.3.3 Identify TWO possible consequences a business may face if it fails to pay its creditors on time.

--

2




4.3.4

Describe ONE way technology can assist a business in maintaining accurate and up-to-date creditor records.

2

QUESTION 4: TOTAL MARKS	40	
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TOTAL: 150





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# NATIONAL SENIOR CERTIFICATE

## GRADE 11

### NOVEMBER 2025

## ACCOUNTING P2 MARKING GUIDELINE

**MARKS: 150**

### MARKING PRINCIPLES:

1. Unless otherwise stated in the marking guidelines, penalties for foreign items are applied only if the candidate is not losing marks elsewhere in the question for that item (no penalty for misplaced item). No double penalty applied.
2. Penalties for placement or poor presentation (e.g. details) are applied only if the candidate is earning marks on the figures for that item.
3. Full marks for correct answer. If answer incorrect, mark the workings provided.
4. If a pre-adjustment figure is shown as a final figure, allocate the part-mark for the working for that figure (not the method mark for the answer). **NOTE:** if figures are stipulated in marking guideline for components of workings, these do not carry the method mark for final answer as well.
5. Unless otherwise indicated, the positive or negative effect of any figure must be considered to award the mark. If no + or – sign or bracket is provided, assume that the figure is positive.
6. Where indicated, part-marks may be awarded to differentiate between differing qualities of answers from candidates.
7. If candidates provide more than the required number of responses, inspect all responses to give benefit to the candidate. Penalties may be applied for foreign entries if candidates earn full marks on a question (max. -2 per Q).
8. Where penalties are applied, the marks for that section of the question cannot be a final negative.
9. Where method marks are awarded for operation, the marker must inspect the reasonableness of the answer.
10. Operation means 'Check operation'. 'One part correct' means operation and one part correct. **NOTE:** check operation must be +, -, x, ÷ as per candidate's calculation (if valid) or per the marking guideline.
11. In calculations, do not award marks for workings if numerator and denominator are swapped – this also applies to ratios.
12. In awarding method marks, ensure that candidates do not get full marks for any item that is incorrect at least in part. Indicate with a ☒.
13. Be aware of candidates who provide valid alternatives beyond the marking guideline. Note that one comment could contain different aspects.
14. Codes: f = foreign item; p = placement/presentation.

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This marking guideline consists of 10 pages.

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## QUESTION 1

1.1 Choose the correct answer, for example 1.1.5 B.

1.1.1	B ✓
1.1.2	D ✓
1.1.3	C ✓
1.1.4	D ✓

4

1.2.1 Calculate the VAT amount included in the cash sales.

WORKINGS	ANSWER
$11\,500 \times \frac{15}{115}$	R1 500 ✓✓

2

1.2.2 Calculate the input VAT Siyanda Traders may claim.

WORKINGS	ANSWER
$6\,900 \times \frac{15}{100} = 1\,035^* \checkmark$ $1\,035 + 225 \checkmark$	R1 260 <input checked="" type="checkbox"/> (if * + 225)

3

1.2.3 Why can VAT not be claimed on the purchase of the vehicle?

Any ONE explanation ✓✓
<ul style="list-style-type: none"> <li>A motor car was bought for the owner's personal use, not for business purposes.</li> <li>Motor cars acquired for private use (such as for the owner's personal use) are specifically excluded from input VAT claims, even if VAT was paid on the purchase.</li> <li>The vehicle is not being used to generate income for the business; the VAT is not deductible.</li> </ul>

2

1.2.4 Give ONE reason why it is important for a business to keep proper VAT records.

Any valid reason ✓✓
<ul style="list-style-type: none"> <li>Legal requirement/comply with SARS regulations</li> <li>Accurate VAT returns/ensures correct VAT is paid or claimed</li> <li>Avoid penalties/prevents fines and interest from SARS</li> <li>Proof of VAT transactions</li> <li>Better control of business finances</li> <li>To identify mistakes in VAT calculations</li> <li>Ensures proper VAT reconciliation</li> </ul>

2

**1.2.5 Explain ONE advantage and ONE disadvantage of being a VAT-registered business.**

ADVANTAGE ✓	DISADVANTAGE ✓
Can claim input VAT Creates business credibility Required for larger businesses (turnover > R1 million) Eligible for VAT refunds Improves financial record-keeping	More admin and paperwork Penalties if VAT is not paid on time Need to charge customers VAT Risk of audits by SARS Can be costly for small businesses

2

**1.3.1 Calculate the total depreciation written off on vehicles for the financial year ending 31 August 2025.**

WORKINGS	ANSWER
<b>SOLD:</b>  $R400\ 000 \times 20\% \times \frac{6}{12} = 40\ 000$ ✓ <input checked="" type="checkbox"/> (one part correct)	R155 625 <input checked="" type="checkbox"/>
<b>OLD:</b>  $[940\ 000 - 400\ 000]$ $540\ 000 \times 20\% = 108\ 000$ ✓ <input checked="" type="checkbox"/> (one part correct)	
<b>NEW:</b>  Cost price: $[30\ 500 \times 6]$ $183\ 000 \times \frac{100}{80} = 228\ 750^*$ ✓ <input checked="" type="checkbox"/> (one part correct)  $228\ 750^* \times 20\% \times \frac{2}{12} = 7\ 625$ ✓ <input checked="" type="checkbox"/> (one part correct) *see cost price	

9



1.3.2

VEHICLES					
Date	Details	Amount	Date	Details	Amount
Sept 1	Balance	940 000	March 1	Asset disposal	400 000 ✓
June 30	Bank	[183 000 x 20/80] <b>OR</b> [288 750 – 183 000] 45 750 ✓✓ (one part correct)	June 30	Balance	768 750
	Creditors Control	[30 500 x 6] 183 000 ✓			
		1 168 750			1 168 750
July 1	Balance	768 750 ✓			

5

ASSET DISPOSAL			
Details	Amount	Details	Amount
Vehicles	400 000 ✓ (see Vehicles)	Acc Depr on vehicles (240 000 + 40 000)	280 000 ✓✓ *
		Bank ✓	98 000 ✓
		Loss with disposal of asset	22 000 ✓
	400 000		400 000

6

\*400 000 x 20% x  $\frac{42}{12}$  **OR** 240 000 + 40 000

QUESTION 1:  
TOTAL MARKS

35



## QUESTION 2

## 2.1 MATCH ITEMS

2.1.1	E ✓
2.1.2	A ✓
2.1.3	F ✓
2.1.4	C ✓
2.1.5	B ✓

5

## 2.2.1 DEBTORS' COLLECTION SCHEDULE

CREDIT SALES	JUNE 2025	JULY 2025	AUGUST 2025
JUNE: R88 000	37 620	30 800	13 200 ✓
JULY: R72 800		[72 800 x 45%] 32 760 x 95% 31 122 ✓ <input checked="" type="checkbox"/> * *(if 5% is subtracted)	25 480 ✓
AUGUST: [176 000 x 40%] R70 400 ✓✓			30 096

6

## 2.2.2 Calculate the figures labelled A to F in the Cash Budget.

	WORKINGS	ANSWER
A		R63 400 ✓
B	(98 800) + 63 400	(35 400) ✓✓
C	220 000 x 60%	132 000 ✓✓
D	[2 100 X 12] 25 200 ✓ x $\frac{100}{8}$ ✓	315 000 <input checked="" type="checkbox"/>
E	182 000 ✓ x $\frac{100}{125}$ * ✓ x $\frac{65}{100}$ ✓	94 640 <input checked="" type="checkbox"/>
F	220 000 ✓ x $\frac{100}{125}$ (see E) x $\frac{35}{100}$ ✓	61 600 <input checked="" type="checkbox"/>

15

## 2.2.3 (i) Calculate the percentage increase given to employees in July 2025.

WORKINGS	ANSWER
[69 875 – 65 000] $\frac{4 875}{65 000} \times 100$	7,5% ✓ <input checked="" type="checkbox"/> (if $\frac{x}{65 000}$ ; do not accept $\frac{x}{69 875}$ )

2

<b>(ii)</b>	<b>Explain why staff training is essential to the business.</b>
Any valid point ✓✓	
<ul style="list-style-type: none"> <li>• Improves employee skills</li> <li>• Increases productivity</li> <li>• Boosts employee confidence</li> <li>• Reduces mistakes</li> <li>• Lowers need for supervision</li> <li>• Improves customer service</li> <li>• Keeps staff up to date</li> </ul>	

2

<b>(iii)</b>	<b>Interest on loan is not capitalised. Calculate the loan balance on 1 September 2025.</b>				
<table border="1"> <thead> <tr> <th>WORKINGS</th><th>ANSWER</th></tr> </thead> <tbody> <tr> <td>315 000 - 25 000 (see 2.2.2D)</td><td>R290 000 ✓ ( if 25 000 is subtracted)</td></tr> </tbody> </table>		WORKINGS	ANSWER	315 000 - 25 000 (see 2.2.2D)	R290 000 ✓ ( if 25 000 is subtracted)
WORKINGS	ANSWER				
315 000 - 25 000 (see 2.2.2D)	R290 000 ✓ ( if 25 000 is subtracted)				

1

<b>(iv)</b>	<b>The actual amount spent on advertising in August 2025 was R3 000. Explain ONE possible consequence of the decision to spend less than the budgeted R5 000.</b>
Any valid point ✓✓	
<ul style="list-style-type: none"> <li>• Less sales / Fewer customers / Loss of market share</li> <li>• Competitors may attract more customers</li> <li>• The business may not grow as expected</li> </ul>	

2

<b>(v)</b>	<b>The owner is worried about the continuous increase in bank charges. Suggest ONE way they can reduce bank charges.</b>
Any valid point ✓✓	
<ul style="list-style-type: none"> <li>• Use internet banking instead of going to the bank</li> <li>• Go cashless / Encourage customers to pay via EFT / Limit cash withdrawals/ Use electronic payments instead of cash deposits</li> <li>• Avoid using other banks' ATMs</li> <li>• Choose a bank account with lower fees</li> <li>• Check bank statements regularly for errors</li> <li>• Bundle banking services for lower rates</li> </ul>	

2

<b>QUESTION 2:</b>	<b>35</b>
<b>TOTAL MARKS</b>	

## QUESTION 3

## 3.1.1 Calculate the raw materials issued for production in 2025.

WORKINGS	ANSWER
$55\,000 \checkmark + [740\,000 - 5\,000] \checkmark + 18\,900 \checkmark + 3\,900 \checkmark - 24\,000 \checkmark$	788 800 <input checked="" type="checkbox"/> (one part correct)

6

## 3.1.2 FACTORY OVERHEADS

Factory maintenance	72 400 <input checked="" type="checkbox"/>	Work-In-Progress <input checked="" type="checkbox"/>	390 910 <input checked="" type="checkbox"/>
Water and electricity	$109\,760 \checkmark \checkmark^*$ $[78\,400 \times \frac{100}{50} \times \frac{70}{100}]$		
Factory rent	$78\,400 \checkmark \checkmark^*$ $[196\,000 \times \frac{400}{1\,000}]$ (do not accept 196 000 alone)		
Indirect material	$36\,300 \checkmark \checkmark^*$ $[5\,800 + 37\,000 - 6\,500]$		
Salary / Indirect labour	66 000 <input checked="" type="checkbox"/>		
Sundry expenses	$6\,600 \checkmark \checkmark^*$ $13\,200 \times \frac{3}{6}$ (do not accept 13 200 alone)		
Depreciation	21 450 <input checked="" type="checkbox"/>		
	390 910		390 910

13

\*One part correct; -1 Foreign items, max-1

## WORK-IN-PROGRESS

Balance	41 000 <input checked="" type="checkbox"/>	Finished goods <input checked="" type="checkbox"/>	1 926 710 <input checked="" type="checkbox"/> Balancing figure
Direct material	788 800 <input checked="" type="checkbox"/> See 3.1.1	Balance	78 000 <input checked="" type="checkbox"/>
Direct Labour	784 000 <input checked="" type="checkbox"/>		
Factory overhead	390 910 <input checked="" type="checkbox"/> See FOC		
	2 004 710		2 004 710
Balance	78 000		

7

## 3.1.3 Calculate cost of sales for the year ended 30 September 2025.

WORKINGS	ANSWER
$210\,000 \checkmark + 1\,926\,710 \checkmark - 188\,000 \checkmark$ See Work-in-Progress	R1 948 710 <input checked="" type="checkbox"/> One part correct

4



3.2.1 Calculate the break-even point for the financial year ended 30 September 2025.

WORKINGS	ANSWER
$(47 \times 23\,600)$ $\underline{1\,109\,200} \checkmark$ $220 \checkmark - 126 \checkmark$	$11\,800 \checkmark$ One part correct

4

3.2.2 Do you think Berry Nok should be satisfied with the break-even point? Quote the number of units on which a profit is made in your explanation.

Any valid point  $\checkmark\checkmark$  figures  $\checkmark\checkmark$

**For FOUR marks:**

- Produced and sold 11 800 above the BEP of 11 800 / made a profit on 11 800 units
- Profit on 11 800 units has improved compared to 2024 profit on 8 960 units.

**For TWO marks (max.):**

- BEP decreased by 4 200 units / (from 16 000) to 11 800/ by 26,25%
- Units produced decreased by 1 360 units / (from 24 960) to 23 600/ by 5,4%

4

3.2.3 Direct material cost per unit decreased. Except for the cheaper supplier, name TWO possible reasons for the decrease.

Any TWO valid points  $\checkmark \checkmark$

- Bought raw materials in bulk, leading to quantity discounts
- Decrease in raw material prices
- Improved efficiency, leading to less material wastage
- Sourcing materials locally, less transport cost / import taxes / shipping costs
- Changed to lower-grade materials, which are cheaper

2

QUESTION 3:  
TOTAL MARKS

40

## QUESTION 4

## 4.1 CHOOSE ITEM

4.1.1	Cash Payments Journal ✓
4.1.2	Bank Reconciliation Statement ✓
4.1.3	credit ✓
4.1.4	debit ✓

4

## 4.2.1 Changes in the Cash Journals for July 2025.

CASH RECEIPTS JOURNAL	CASH PAYMENTS JOURNAL
75 620	74 890
2 000 ✓✓	9 750 ✓
31 350 ✓	2 975 ✓
	150 ✓
	800 ✓
	10 000 ✓✓
108 970	<input checked="" type="checkbox"/> (both totals) *98 565

10

\*must include provisional totals

-1 (max -1) foreign / superfluous items (only if mark/s are earned elsewhere for the same figure)

In awarding the method mark for totals, ensure that the candidate do not get full marks for including any incorrect figure/s.

Indicate with a ☒

## 4.2.2 Correct Bank Account balance on 31 July 2025.

CALCULATION	ANSWER
(10 405 two method marks) - 6 450 ✓ + 108 970 <input checked="" type="checkbox"/> - 98 565 <input checked="" type="checkbox"/> See CRJ See CPJ	3 955 <input checked="" type="checkbox"/> One part correct

4

## 4.2.3 Bank Reconciliation Statement on 31 July 2025.

	Alternative	Debit	Credit
Balance as per <u>Bank Statement</u>	(13 765) balancing figure	13 765 <input checked="" type="checkbox"/> balancing figure could be DR	
Outstanding deposit	25 870		25 870 ✓
Outstanding EFT: No. 880	(8 900)	8 900 ✓	
No. 889	(9 000)	9 000 ✓	
Duplicate debit order	9 750		9 750 ✓
Balance as per <u>bank account</u>	3 955	3 955 <input checked="" type="checkbox"/> Could be CR	
-1 Presentation (inappropriate / no details provided); -1 foreign items / superfluous items, (only if mark/s are earned elsewhere for the same figure) max -1		35 620 <input checked="" type="checkbox"/> for both totals	35 620

7

**4.2.4 Give ONE possible consequence for the business if theft like this continues undetected.**

Any one valid answer ✓✓

- Cash flow problems
- Loss of profits / income
- Bad reputation
- Extra costs for investigations

**2**

**4.3.1 Correct the balances of the creditors in the Creditors Ledger.**

CREDITORS	WORKINGS	BALANCE
Phoenix Suppliers	17 250 – 12 500	R4 750 ✓
Zahn Traders	-12 450 + 12 500 + 13 500 OR 12 450 – 12 500 – 13 500	13 550 ✓✓
Lara Wholesalers	8 950 – 3 000	5 950 ✓✓

**5**

**4.3.2 Calculate the correct balance according to the statement received from Phoenix Suppliers.**

WORKINGS	ANSWER
10 850 – 5 000 ✓ + 200 ✓ – 1 300 ✓	4 750 ✓ One part correct

**4**

**4.3.3 Identify TWO possible consequences a business may face if it fails to pay its creditors on time.**

Any TWO valid points ✓✓

- Loss of supplier trust
- Interest or late payment penalties
- Refusal of future credit from suppliers
- Legal action from creditors
- Disruption of stock or service delivery
- Negative impact on business reputation

**2**

**4.3.4 Describe ONE way technology can assist a business in maintaining accurate and up-to-date creditor records.**

Any valid point ✓✓

- Accounting software – Tracks invoices and payments automatically
- Reminders and alerts – Notifications of due payments
- Automated data entry – Fewer errors
- Cloud storage - real-time access to creditor records
- Digital invoices – Speeds up and simplifies record-keeping
- Integration with banking systems – Syncs payments directly with records

**2**

**QUESTION 4:  
TOTAL MARKS**

**40**

**TOTAL: 150**